

## **Citizen's Transportation Oversight Committee**

Arizona Department of Transportation  
Burton Barr Public Library  
1221 North Central Avenue, 4<sup>th</sup> Floor  
Phoenix, Arizona

### **Meeting Minutes May 21, 2002**

A Citizen's Transportation Oversight Committee (CTOC) meeting was held at the Burton Barr Central Library, 1221 North Central Avenue, 4<sup>th</sup> Floor, Phoenix, Arizona on May 21, 2002 with Chairperson Roc Arnett presiding.

#### **Members Present:**

Roc Arnett, Chairperson  
Dwight Amery, Member-at-Large  
Paul Schwartz, Maricopa County District 4

#### **Members Absent:**

Ron Gawlitta, Maricopa County District 3  
Tom Liddy, Maricopa County District 1  
Jim Lykins, Maricopa County District 2

#### **Others Present:**

Debra Brisk, Deputy Director, ADOT  
John McGee, ADOT  
Ed Johnson, Citizen  
Chuck Eaton, ADOT  
Dan Lance, ADOT  
John Carlson, Governor Hull's Office  
Doug Nintzel, ADOT Community Relations  
Fred Garcia, ADOT, EPG  
John Wayne Gonzales, City of Phoenix  
Mr. Murphy, Citizen

Kevin Biesty, ADOT  
Kwi-Sung Kang, ADOT  
Elizabeth Neville, ADOT  
Carolyn Deobler, ADOT  
Les Bell, ADOT  
Amy Wong, Citizen  
Wm. "Blue" Crowley, Citizen  
Marge Murphy, Citizen  
D. D. Barker, Citizen  
William Hayden, ADOT

#### **1. Call To Order:**

Chairperson Arnett called the Citizen's Transportation Oversight Committee meeting to order at 5:00 p.m.

#### **2. Approval of Minutes for 2/19/02 and 4/5/02:**

Approval of the Minutes was not possible due to the lack of a quorum.

Chairperson Arnett introduced dignitaries in the audience.

### 3. Regional Freeway System Financial Report:

**John McGee, ADOT**, reviewed the April 2002 HURF and March 2002 RARF reports. He reported HURF revenue through the first ten months of FY 2002 totaled \$889.2 million, an increase of 3.7 percent above last year and 0.6 percent above the estimate. For the month of April, HURF collections totaled \$96.9 million, an increase of 4.3 percent above last year and 1.8 percent above the estimate. Overall, HURF collections have not been significantly impacted by the sluggish economy and higher fuel prices. He explained April Vehicle License Tax revenues showed strong growth with increases of 18.4 percent month-over-month and 8.6 percent year-to-date. The Gas Tax revenue category also contributed to the increase in HURF revenue with gains of 3.0 percent for the month and 3.7 percent year-to-date. Mr. McGee reported RARF revenues through the first nine months of FY 2002 totaled \$199.4 million, an increase of 1.4 percent over the same time period last year. However, RARF collections lag the estimate by 3.5 percent. For the month of March, RARF revenues totaled \$21.5 million, an increase of 3.3 percent from March 2001, but 5.1 percent below the estimate. All revenue categories, except Rental of Personal Property and Other, have posted year-over-year growth through the first nine months of FY 2002. He pointed out the Retail Sales revenue growth of 3.6 percent in March was the second highest month-over-month growth rate for the revenue category during FY 2002. Contracting, Rental of Real Property and Other revenue categories also posted gains over March 2001 with growth rates of 3.0, 3.6 and 8.8 percent, respectively.

**Chairperson Arnett** asked what percentage of the year-to-date Contracting revenue is attributable to ADOT road construction. Mr. McGee estimated it to account for five to ten percent of the revenue. Chairperson Arnett stated it appears the economy is less vibrant in Maricopa County than in the rest of the State. Mr. McGee stated that Sales Tax numbers for the State are actually lower than the growth rates seen in Maricopa County.

In response to Mr. Schwartz' question, Mr. McGee explained the HURF fund, by statute, is divided amongst several entities; off-the-top distributions, DPS, and approximately \$1 million to street projects. He said 50.5 percent of the remaining funds go to ADOT, 30 percent to cities and 19.5 percent to counties. He noted the money distributed to each county and city is based on a number of statutory factors and is restricted to use on street projects.

Mr. McGee updated the Committee on the financial status of the FY 2003-2007 Statewide Highway Program. He said the RAAC approved discretionary fund forecast adopted July 11, 2001 totaled \$2.84 billion, consisting of \$740 million in State revenues, \$1.9 billion in Federal funds, \$7 million in third party revenues, \$224 million in borrowings and a \$98 million inflation discount. He stated the fall review of HURF revenues found revenues for the five year program would be \$169.4 million less than projected, with an \$84 million reduction to cities and counties, a \$12 million reduction to 12.6 and 2.6 percent funds that support the MAG and PAG programs and a \$73 million reduction to the Statewide program. Mr. McGee said preliminary indications received just prior to September 11, 2002, implied federal funding for FY 2003 could be reduced over the estimated 2002 level because of a \$4.4 billion negative adjustment to the RABA distribution. He said, based on that information, they reduced the ADOT Federal funds estimate to \$1.75 billion. Additionally, he pointed out the State has forecasted significant General Fund budget shortfalls for FY 2002 and 2003, stating, the Governor and Legislature allocated a higher share of HURF and State Highway Fund revenues to the Department of Public Safety. Potential funding reductions total \$319 million, reducing the net revenues available for the program to \$3.04 billion. Mr. McGee said \$398 million of additional bonding capacity would be needed to cover the significant funding reductions. He explained the Board did not program all of its borrowing capacity last year, leaving \$40 million in HURF capacity and \$60 million in Board Funding Obligation capacity available. Additionally, the Legislature increased the Board's HURF bonding capacity by \$300 million through HB 2588. He explained the increased bonding capacity has allowed them to restore funding to the previously anticipated levels.



#### **4. Staff Report:**

Chuck Eaton reported the following information:

- We are in the process of finalizing our recommendations on the Regional Freeway Life Cycle and Statewide 5-year Construction programs, which will be presented to the Transportation Board for approval on June 21.
- The Life Cycle Certification process is under way and is expected to be completed by July. We are reviewing costs and updating revenue forecasts.
- Despite maintenance program adjustments to compensate for dwindling maintenance budgets, ADOT cannot continue to fund landscape maintenance on new freeway sections. ADOT has asked local jurisdictions to fund the maintenance costs on the Red Mountain Freeway, Country Club to Gilbert, and Pima Freeway, Scottsdale Road to Pima Road, landscape projects until sufficient maintenance budgets are in place. It appears the final budget will include an additional \$3 million for Statewide maintenance projects.
- Entranco has been selected as the final designer on the Red Mountain Freeway (Loop 202) Higley to Power design project.
- AZTEC has been selected as the final designer on the US 60/Loop 202 (Super Red Tan) Interchange design project.
- A Request for Qualification was advertised on May 8<sup>th</sup> on the SR 51 HOV I-10 to Shea (Design Build) project. Statements of Qualifications are due by June 12, with a short list selection to be made in July.
- Three privately funded interchanges are being advertised this month and next, I-10 at Watson Road, I-10 at Varado, and I-17 at Daisy Mountain.
- A second draft of the "Purpose and Need" statement on the South Mountain 202L Corridor should be submitted in mid-May reflecting updated traffic numbers from MAG.

**Chairperson Arnett** suggested any maintenance funds received be shared across the system. Mr. Lance stated safety, operational and maintenance issues are their highest priorities. He said they can forego landscaping without affecting the functionality of the system.

#### Legislative Report

Kevin Biesty made the following comments:

- The Legislature is still in session. An amendment was on the floor that would increase the ADOT maintenance budget by \$3 million.
- There were not a large number of transportation related bills and, of the ones that were introduced, more failed than passed. There were four or five bills concerning eminent domain.
- Noise walls was another hot issue this year. A move by developers would have required the Department to pay for noise mitigation in almost every instance. Mr. Mendez told Representative Cooley he would review the issues and get back to the Legislature in six months.
- Qwest came forward with a proposal to require the Department to pay for utility relocation, regardless of whether the utility was there prior to ADOT. The bill never made it to the hearing committee, but we anticipate it will come back next year.
- The Vision 21 recommendation to expand the State Transportation Board membership did not make it through the Legislature.
- HB 2588 that raises the Board's bonding cap went through the Legislature in a fairly timely manner.
- HB 2660 just passed and requires ADOT to develop performance based planning and programming processes.



## **5. HOV/HOT Lane Study – Final Report:**

**Bill Hayden, ADOT**, explained the objectives of the HOV Lane study were to develop a strategy to reduce urban highway congestion, to update MAG's 1994 Long Range HOV Plan, to develop plans to expand the existing HOV system, to evaluate existing HOV Lane's operational characteristics and effectiveness and to develop applicable HOV policies. With regard to Value Lanes, the study objectives included assessing the potential for value lanes on the regional freeway system, evaluating operational compatibility with existing freeways, quantifying fiscal feasibility of value lanes, identifying and prioritizing regional freeways for conversion or new construction, and identifying the planning, design, construction, maintenance, operational and administrative costs involved with implementation of value lanes. He reviewed the locations of the existing 50 miles of HOV lanes on I-10, I-17 and SR 202. He said, while HOV lanes enjoy considerable usage, most sections of the HOV system have considerable excess capacity. He noted MAG's travel demand model projects approximately 35 percent more demand on HOV lanes by 2020. He stated 12 additional miles of HOV lanes are currently being added to US 60 between I-10 and Val Vista Drive and should be open to traffic in the summer of 2003. He said plans are also underway to add HOV lanes on SR51 from I-10 to Shea Boulevard.

Mr. Hayden stated, in 1993, a private consortium proposed to develop HOT lanes on I-10 and other corridors in the Phoenix area. This concept was approved by the MAG Regional Council and ADOT and then was submitted to FHWA for approval and funding, however, it was not accepted. He said, more recently, a private consortium identified as Metro Road, developed a proposal for toll facilities in the east valley. The proposal included HOT lanes on the Superstition Freeway, Price Freeway and portions of the Pima Freeway. He reported, however, the Metro Road proposal was withdrawn in 1997. He stated ADOT submitted two applications to FHWA in 1997 and 1998 to implement HOT lanes on I-10 and I-17 as part of a region wide congestion pricing pilot project. Neither of the applications were approved and, in 2002, FHWA advised all states that funding for the pilot HOT lane projects had been withdrawn as a result of federal budget cuts.

Mr. Hayden reviewed a map depicting the recommended HOV system and cost effectiveness ranking with planned Park and Ride lot locations. He also reviewed a map depicting five near term potential HOT lane candidate corridors. He discussed the average estimated net annual revenues for each of the recommended HOT lanes, including \$19.5 million for the I-10/Papago lane, \$11.5 million for the Pima and Price lane and \$9 million for the US 60 lane. He pointed out that, while the up front cost for implementing the system is quite high, the return on the system is quite high as well.

Mr. Hayden identified negative issues they face in terms of value lanes, including the need to establish enabling legislation to toll State highways, the initially negative reactions of local governments and the public's opposition to the tolling concept. He said the State, alone, does not have the financial wherewithal to implement value lanes, therefore they would have to partner with the private sector to secure additional outside funding. He stated a proactive educational program would be required to obtain positive support. He said the system would require administrative and organizational changes in both ADOT and MAG and approval by the State Transportation Board and MAG Regional Council would have to be obtained. He explained the Privatization Law, Chapter 61, ARS Section 28-3051-3075, would have to be amended, restructured or rescinded.

Mr. Hayden concluded his presentation stating there is strong governmental and political support to increase the number of HOV lanes on existing and planned regional freeways in the valley. While value lanes have the potential to generate significant revenue, major legal, operational, financial, political and public constraints must be satisfactorily addressed before toll lanes would be accepted in Arizona.

Mr. Schwartz commented on enforcement issues, stating he often sees single passenger vehicles in HOV lanes. Chairperson Arnett noted California and other areas that have rental capacity lanes offer violators the opportunity to either pay the fee to utilize the lanes or to pay their ticket.

**6. Noise Mitigation Issues:**

**Fred Garcia, ADOT**, stated ADOT set out to revisit its traffic noise policy two years ago and identified a number of locations where further noise mitigation measures are needed. He showed a video explaining ADOT's noise mitigation policy.

**7. Call to the Public:**

**William "Blue" Crowley, citizen**, said Mr. Bourey has not abided by the Open Meeting Law. He asked how the Committee represented the public during the current legislative session, stating he did not see any meetings held to obtain public input. He asked the committee to follow the law and to get the job done correctly.

**Diane "D. D." Barker, citizen**, said she appreciated Mr. Hayden and Mr. Garcia's presentations because she deals with congestion and noise issues on a regular basis. She said the State has to look at how other areas do things differently if it hopes to create its vision. She expressed her opinion that education and motivation to rideshare and to use the transit system is critical. She said CTOC should be more responsible over transportation funding and RPTA money.

**8. Next Regular Meeting:**

CTOC Meeting  
Arizona Department of Transportation  
206 S. 17<sup>th</sup> Ave., Board Rm. 145-147  
Phoenix, Arizona 85007  
July 16, 2002, Tuesday, 5:00 p.m.

**9. CTOC Member Reports:** No comments made.

**10. Closing comments and Adjournment:** None.

**Meeting adjourned at 7:35 p.m.**